

REQUEST FOR PROPOSALS

RFP# 2007-002

Issue Date: June 14, 2007

Title: Agency Risk Management and Internal Control Standards (ARMICS) Commonwealth of Virginia Comptroller's Directive No. 1-07

Issuing Agency: Department of Historic Resources
Administrative Services Division
10 Courthouse Avenue
Petersburg, VA 23803

Using Agency Location: Department of Historic Resources
Administrative Services Division
10 Courthouse Avenue
Petersburg, VA 23803

Period of Contract: One year with one six month optional renewal.

Sealed Proposals Will Be Received Until: June 27, 2007 @ 3:00 p.m.

Purchasing inquiries should be addressed to: Jamie Lewis @ **804-862-6416**

PROPOSALS SHOULD BE MAILED OR HAND DELIVERED TO THE ISSUING AGENCY SHOWN ABOVE.

Department of Historic Resources, 10 Courthouse Avenue, Petersburg, VA 23803

In Compliance With This Request For Proposals And To All The Conditions Imposed Therein And Hereby Incorporated By Reference, The Undersigned Offers And Agrees To Furnish The Goods/Services In Accordance With The Attached Signed Proposal Or As Mutually Agreed Upon By Subsequent Negotiation.

Name and Address of Firm:

Date: _____

By: _____
Signature in Ink

Name/Title: _____

FEI/FIN No. _____

Telephone Number: _____

Facsimile Number: _____

Note: This public body does not discriminate against faith-based organizations in accordance with the Code of Virginia, Section 2.2-4343.1 or against a offeror because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment.

**** An Optional Pre-Proposal Conference will be held at 10:00 a.m. on Tuesday, June 19, 2007 at the Department of Historic Resources, Headquarters, 2801 Kensington Avenue, Richmond, VA 23221 in the 2nd Floor Director's Conference Room.**

TABLE OF CONTENTS

I.	PURPOSE	3
II.	BACKGROUND	3
III.	STATEMENT OF NEEDS	3
IV.	SUBMISSION INSTRUCTIONS	6
V.	MANDATORY REQUIREMENTS	6
VI.	TIMEFRAMES	7
VII.	FINANCIAL PROPOSAL	7
VIII.	EVALUATION AND AWARD CRITERIA	7
IX.	PRE-PROPOSAL CONFERENCE	10
X.	GENERAL TERMS AND CONDITIONS	10
XI.	SPECIAL TERMS AND CONDITIONS	17
XII.	METHOD OF PAYMENT	20
XIII.	PRICING SCHEDULE	20
XIV.	ATTACHMENT A	20

I. PURPOSE:

The Department of Historic Resources (DHR) is seeking consulting resources to implement requirements of Comptroller of Virginia directive 1-07, *Agency Risk Management and Internal Control Standards*, lead the Department of Historic Resources through implementation by the required State deadlines as outlined in Comptroller's Directive No. 1-07, and review and propose business processes that would benefit from reengineering. The contractor selected should be an individual or group with proven experience in the field of fiscal management with a demonstrated knowledge of financial operations and internal controls, preferably in the state government environment.

II. BACKGROUND:

The Department of Historic Resources (DHR) was established as an independent, executive branch agency on July 1, 1989 in accordance with Section 10.1-2201 of the Code of Virginia. The agency reports to the Natural Resources Secretariat. The Department has three (3) regional preservation offices located in Roanoke, Stephens City, and Newport News, with its central headquarters in Richmond and an administrative satellite regional office located in Petersburg.

Section 10.1-2202 et. seq. of the Code of Virginia charges DHR with encouraging, stimulating, and supporting the identification, evaluation, protection, preservation, and rehabilitation of the Commonwealth's historic, architectural, archaeological and cultural resources, establishing and maintaining a permanent record of those resources and fostering a greater appreciation of the resources. There are applicable, parallel federal mandates pursuant to the National Historic Preservation Act of 1966, as amended.

The Administrative Services Division is responsible for the overall administrative tasks of the agency. Responsibilities include administration of a \$42 million annual budget, including \$37 million in state grants for nonstate entities. The Division enters transactions directly in the Commonwealth of Virginia's Accounting and Reporting System (CARS), the Fixed Asset Accounting and Control System (FAACS), and the Lease Accounting System (LAS). All transactions for salary and employer costs of fringe benefits are outsourced to the Department of Accounts, Payroll Service Bureau.

III. STATEMENT OF NEEDS:

A. General

The Department of Historic Resources (DHR) is seeking consulting resources to implement requirements of Comptroller of Virginia directive 1-07, *Agency Risk Management and Internal Control Standards*, lead the Department of Historic Resources through implementation by the required State deadlines as outlined in Comptroller's Directive No. 1-07, and review and propose business processes that would benefit from reengineering. The contractor selected should be an individual or group with proven experience in the field of fiscal management with a demonstrated knowledge of financial operations and internal controls, preferably in the state government environment.

B. Specific

The Consultant (Offeror) shall propose a plan to include:

The Comptroller of Virginia issued Directive 1-07, Agency Risk Management and Internal Control Standards, on November 15, 2006 (please see the following link - http://www.doa.virginia.gov/AICCO/ARMICS/ARMICS_Standards_Memo.pdf). The directive requires all state agencies in Virginia to implement and assess on an annual basis internal control systems in order to provide reasonable assurance of the integrity of all fiscal processes related to the submission of transactions to the Commonwealth's general ledger, submission of financial statement directive materials, compliance with laws and regulations, and stewardship over the Commonwealth's assets. This internal control assessment and documentation must be completed in accordance with the guidelines published in the Commonwealth of Virginia's Agency Risk Management and Internal Control Standards. The objectives of the internal control directive are:

- 1) Strategic – support for Virginia being recognized as the best-managed state in the nation through internal control best practices
- 2) Operational – effective and efficient use of fiscal resources and other assets
- 3) Reporting – integrity and reliability of financial reporting
- 4) Compliance – compliance with applicable laws and regulations
- 5) Stewardship – protection and conservation of assets

The vendor will be responsible for the following summarized internal control assessment and development stages (detail requirements are located at the following link http://www.doa.virginia.gov/AICCO/ARMICS/ARMICS_Standards_Directive.pdf)

- 1) Development of the Department of Historic Resource's **Internal Control Assessment** for certification to the Commonwealth by **September 30, 2007**

Complete documentation for this assessment must include:

- o A description and evaluation of the design of Department of Historic Resource's internal controls across five components
 - i. Control Environment
 - ii. Risk Assessment
 - iii. Control Activities
 - iv. Information and Communication
 - v. Monitoring
- o Documentation of the methods used to test the effectiveness of the agency level controls and the results of those tests

Vendor will coordinate and develop a uniform internal control assessment tool to be used by the Department of Historic Resources and will summarize and document responses accordingly. Minimal requirements of Comptroller's Directive 1-07 must be achieved.

- 2) **Evaluate the business processes** for DHR's Administrative Office and bring them in alignment

with the Commonwealth's Agency Risk Management and Internal Control Standards (ARMICS).

The contractor shall:

- Review, document, and evaluate the current business processes in DHR's Administrative Office.
- Identify and prioritize those business processes which can benefit from reengineering, paying special attention to efficiencies and internal controls.
- Highlight the benefits of each proposed process modification.
- Identify potential barriers, propose possible solutions, and develop a timetable for implementation of each reengineered process.
- Provide technical assistance, if necessary, during implementation phase of project.
- Update documentation of business processes to include all implemented changes (using narrative and flow charts).

Reporting and Delivery Requirements:

The contractor shall develop a timeline for deliverables that allows all phases of the **reengineering** to be complete by **June 30, 2008**, and that will successfully align with the requirements of the Comptroller's Directive 1-07. The three main phases of the project should tie to the following deliverables:

- Documentation of current business processes in DHR's Administrative Office.
- Report of those business processes that can benefit from reengineering, including the benefits and potential barriers of implementation. (**Completed by February 29, 2008**)
- Finalized documentation of all business processes, including all implemented changes.

3) Process and Transaction-Level Internal Control Assessment for certification to the Commonwealth by **March 31, 2008**

Complete documentation for this process level assessment must include:

- a. A complete description of each significant fiscal process including:
 - i. A description of the fiscal processes with examples to pertinent process documents
 - ii. Policies and procedures governing the process
 - iii. Computer information systems used to support the process
- b. A risk assessment of each significant fiscal process including:
 - i. Identification of potential events or conditions that could have an impact on the functioning or outcome of the process
 - ii. An assessment of the likelihood of the events and impact of the events on the Department of Historic Resources
 - iii. A description of the associated agency risk responses
- c. An internal control evaluation and control tests including:
 - i. A description of the control activities in place to accomplish the related control objectives for the business process
 - ii. Documentation of the methods used to test the effectiveness of the fiscal process control activities and the results of those tests

4) Corrective Action Plans with certification to the Commonwealth by **June 30, 2008**

Vendor will provide tools necessary to identify weaknesses in internal control that are identified through either the agency level or process level assessments. Vendor will provide the Department of Historic Resources guidelines to develop detail written recommendations on missing controls and provide corrective action plans to the Department of Historic Resources on how to develop and implement appropriate controls.

The corrective action plan must minimally include the following:

- a. Summary description of the deficiency in internal control
- b. When the deficiency was identified
- c. A target date for completion of corrective action in consultation with appropriate DHR personnel
- d. Indicators or statistics used to gauge resolution progress
- e. A quantifiable target or qualitative characteristics that will indicate that the deficiency in internal controls has been corrected
- f. Identification of personnel responsible for monitoring progress

Vendor will establish an annual internal control monitoring process for certification by the Director of the Department of Historic Resources.

Vendor will develop a detailed implementation and assessment plan to be approved by DHR's management and be responsible for carrying out the requirements of this RFP in compliance with State Comptroller's Directive 1-07. This includes coordinating and assembling the necessary documentation of the Department of Historic Resource's internal control structure.

The vendor will work with DHR to develop an internal control team comprised of applicable staff. This team will be utilized by the vendor to assemble necessary information to analyze internal controls and detail procedures. Vendor will be responsible for all documentation requirements of Comptroller Directive #1-07.

IV. SUBMISSION INSTRUCTIONS:

Interested Consultants (Offeror) shall submit one (1) original and five (5) copies of their response to Request for Proposal to the address below, to be received no later than 3:00 p.m. EDT, June 27, 2007. **Please mark proposal envelopes: "(ARMICS) Comptroller's Directive No.1-07"**.

Submit response to:

Department of Historic Resources
Administrative Services Division
10 Courthouse Avenue
Petersburg, VA 23803

V. MANDATORY REQUIREMENTS:

The proposal shall identify the proposed cost for Consultant Services, and shall include travel, lodging, expenses and printing as specified in the Statement of Needs. Travel, lodging, meals and incidental expenses shall be in accordance with Commonwealth of Virginia Travel Regulations.

VI. TIMEFRAMES:

Responses are due by **Wednesday, June 27, 2007 at 3 p.m.** From responses submitted to the Request for Proposals, the Administrative Services Division of the Department of Historic Resources and RFP Evaluation Committee will select Consultants to be interviewed in person or by telephone. The Department of Historic Resources on or before July 25, 2007 should award a contract.

The consultant (Contractor) will be required to commence work no later than one (1) week after award of the contract.

Only those persons who can accommodate the timeframe stated here will be considered for the contract award.

VII. FINANCIAL PROPOSAL:

The consultant shall submit a financial proposal indicating the compensation expected for each phase and at the conclusion of the consulting contract. The consultant shall also submit a financial proposal indicating the total annual amount of compensation required. The financial proposals shall be complete and inclusive of all work required by the RFP and set forth in the Statement of Needs. The financial proposals must be fully consistent with the staffing plan and schedule of services to be performed contained elsewhere in the RFP response.

VIII. EVALUATION AND AWARD CRITERIA:

All proposals received will be reviewed to determine if they adhere to the format of the RFP, meet the criteria indicated below and conform to the objectives and requirements of the RFP. The following criteria and points will be utilized in the evaluation and ranking of proposals:

- a. Demonstration of the necessary organizational and staff expertise assigned to this proposal, including sufficient resources to accomplish RFP requirements. 30 Points
- b. Demonstration of understanding and responsiveness to the requirements to provide DHR with an internal control document and set of strategies to ensure compliance with Directive No. 1-07 issued by the Office of the Comptroller titled Agency Risk Management and Internal Control Standards. (ARMICS). 30 Points
- c. Price/cost proposal to be charged to the Department of Historic Resources for providing services required. 25 Points
- d. References from other clients. 15 Points

A. GENERAL REQUIREMENTS:

1. RFP Response: In order to be considered for selection, Offerors must submit a complete response to this RFP. One (1) original and five (5) copies of each proposal must be submitted to DHR. No other distribution of the proposals shall be made by the Offeror. **NOTE: An Offeror may submit no more than one (1) proposal in response to this RFP.**
2. Proposal Preparation:
 - a. Proposals shall be signed by an authorized representative of the Offeror. All information requested should be submitted. Failure to submit all information requested may result in the Agency requiring prompt submission of missing information and/or giving a lowered evaluation of the proposal. Proposals which are substantially incomplete or lack key information may be rejected by the purchasing agency. General Terms and Conditions are those required by law or regulation or are such that they cannot be waived and are not subject to negotiation.
 - b. Proposals should be prepared simply and economically providing a straightforward, concise description of capabilities to satisfy the requirements of the RFP. Emphasis should be placed on completeness and clarity of content.
 - c. **Proposals should be organized in the order in which the requirements are presented in the RFP.** All pages of the proposal should be numbered. Each paragraph in the proposal should reference the paragraph number of the corresponding section of the RFP. It is also helpful to cite the paragraph number, sub letter and repeat the text of the requirement as it appears in the RFP. If a response covers more than one page, the paragraph number and sub letter should be repeated at the top of the next page. The proposal should contain a table of contents which cross- references the RFP requirements. Information which the Offeror desires to present that does not fall within any of the requirements of the RFP should be inserted at the appropriate place or be attached at the end of the proposal and designated as additional material. Proposals that are not organized in this manner risk elimination from consideration if the evaluators are unable to find where the RFP requirements are specifically addressed.
 - d. Each copy of the proposal should be bound or contained in a single volume where practical. All documentation submitted with the proposal should be contained in that single volume.
 - e. Ownership of all data, materials and documentation originated and prepared for the State pursuant to the RFP shall belong exclusively to the State and be subject to public inspection in accordance with the Virginia Freedom of

Information Act. Trade secrets or proprietary information submitted by an Offeror shall not be subject to public disclosure under the Virginia Freedom of Information Act; however, the Offeror must invoke the protections of Section 11-52D of the Code of Virginia, in writing, either before or at the time the data or other material is submitted. The written notice must specifically identify the data or materials to be protected and state the reasons why protection is necessary. The proprietary or trade secret material submitted must be identified by some distinct method such as highlighting or underlining and must indicate only the specific words, figures, or paragraphs that constitute trade secret or proprietary information. The classification of an entire proposal document, line item prices and/or total proposal prices as proprietary or trade secrets is not acceptable and will result in rejection of the proposal.

3. Oral Presentation: Offerors who submit a proposal in response to this RFP may be required to give an oral presentation of their proposal to the Agency. This provides an opportunity for the Offeror to clarify or elaborate on the proposal. This is a fact finding and explanation session only and does not include negotiation. The Issuing Agency will schedule the time and location of these presentations. Oral presentations are an option of the purchasing agency and may or may not be conducted.

The Offeror is required to limit the number of representatives at the oral presentation to three (3) individuals.

4. Informal Communications: From the date of receipt of this RFP by each Offeror until a binding contractual agreement exists with the selected contractor and all other Offerors have been notified, or when the Department of Historic Resources rejects all proposals, informal communications regarding this procurement shall cease.

There shall be no requests from Offerors to any Office or Division of Department of Historic Resources with the exception of Contact for information, comments, etc., and they shall be written or faxed.

5. Formal Communications: From the date of receipt of this RFP by each Offeror, until a binding contractual agreement exists with the selected Contractor, and all other Offerors have been notified, or when DHR rejects all proposals, all communications between DHR and the Offerors will be formal or as provided for in this RFP or as requested by Contact. Formal communication shall include but not be limited to:

- a. Oral Presentations
- b. Site Visits

6. **ANY FAILURE TO ADHERE TO PROVISIONS SET FORTH IN #4 AND #5 ABOVE MAY RESULT IN THE REJECTION OF ANY OFFEROR'S PROPOSAL AND/OR CANCELLATION OF THIS RFP.**

- B. **SPECIFIC REQUIREMENTS:** Proposals should be as thorough and detailed as possible so that the Department of Historic Resources may properly evaluate Offeror's capabilities to provide the required services. Offerors are required to submit the following items as a complete proposal:
1. Return the RFP cover sheet and all addenda acknowledgements, if any, signed and filled out as required.
 2. Complete Contractor Data Sheet, included as an attachment (Attachment A) to the RFP, and other specific items or data requested in the RFP.
 3. A written narrative statement to include as a minimum:
 - a. Experience in providing the services described herein.
 - b. Names, qualifications, resume and experience of key staff to be assigned to contract.
 - c. List of departments or sections of your company and number of staff by department or function.
 - d. A description of the Offeror's understanding of the Department of Historic Resources requirements and how the work will be performed.
 - e. A schedule outlining timeframes for performance of services.
 - f. Proposal pricing of services to the Department of Historic Resources.
- C. **AWARD OF CONTRACT:** Selection shall be made of two (2) or more Offers deemed to be fully qualified and best suited among those submitting proposals on the basis of the evaluation factors included in the Request for Proposals, including price, if so stated in the Request for Proposals. Negotiations shall be conducted with the Offerors so selected. Price shall be considered, but need not be the sole determining factor. In addition, the agency may determine that only one or more of the four major phases may be awarded, based on funding available. After negotiations have been conducted with each Offeror so selected, the Agency shall select the Offeror which, in its opinion, has made the best proposal, and shall award the contract to that Offeror. The Commonwealth may cancel this Request for Proposals or reject proposals at any time prior to an award, and is not required to furnish a statement of the reason why a particular proposal was not deemed to be the most advantageous. (Section 11-65D, Code of Virginia.) Should the Commonwealth determine in writing and in its sole discretion that only one Offeror is fully qualified, or that one Offeror is clearly more highly qualified than the others under consideration, a contract may be negotiated and awarded to that Offeror. The award document will be a contract incorporating by reference all the requirements, terms and conditions of the solicitation and the contractor's proposal as negotiated.

IX. PRE-PROPOSAL CONFERENCE (OPTIONAL)

An **Optional** Pre-Proposal Conference will be held on **June 19, 2007 @ 10:00 a.m.** at the Department of Historic Resources, Headquarters, 2801 Kensington Avenue, Richmond, VA 23221 in the 2nd floor Director's Conference Room. The purpose of the conference is to allow Offerors an opportunity to present questions and obtain clarification relative to any facet of this proposal solicitation. While

attendance at this conference will not be a pre-requisite to submitting a response, Offerors who intend to submit a response are encouraged to attend. Please bring a copy of the solicitation with you to the conference. The Department of Historic Resources Acting Director of Administrative Services will act in the capacity of moderator at the conference. Any changes resulting from this conference will be issued in a written addendum to the solicitation.

X. GENERAL TERMS AND CONDITIONS:

- A. eVA BUSINESS-TO-GOVERNMENT VENDOR REGISTRATION:** The eVA Internet electronic procurement solution, web site portal www.eva.virginia.gov, streamlines and automates government purchasing activities in the Commonwealth. The portal is the gateway for vendors to conduct business with state agencies and public bodies. All vendors desiring to provide goods and/or services to the Commonwealth shall participate in the eVA Internet e-procurement solution either through the eVA Basic Vendor Registration Service or eVA Premium Vendor Registration Service. All offers must register in eVA; failure to register will result in the proposal being rejected.
1. eVA Basic Vendor Registration Service: \$25 Annual Fee plus a Transaction Fee of 1% per order received. The maximum transaction fee is \$500 per order. eVA Basic Vendor Registration Service includes electronic order receipt, vendor catalog posting, on-line registration, and electronic bidding;
 2. eVA Premium Vendor Registration Service: \$200 Annual Fee plus a Transaction Fee of 1% per order received. The maximum transaction fee is \$500 per order. eVA Premium Vendor Registration Service includes all benefits of the eVA Basic Vendor Registration Service plus automatic email or fax notification of solicitations and amendments, and ability to research historical procurement data, as they become available.
- B. VENDOR'S MANUAL:** This solicitation is subject to the provisions of the Commonwealth of Virginia *Vendors Manual* and any changes or revisions thereto, which are hereby incorporated into this contract in their entirety. The procedure for filing contractual claims is in section 7.19 of the *Vendors Manual*. A copy of the manual is normally available for review at the purchasing office and is accessible on the Internet at www.dgs.state.va.us/dps under "Manuals."
- C. APPLICABLE LAWS AND COURTS:** This solicitation and any resulting contract shall be governed in all respects by the laws of the Commonwealth of Virginia and any litigation with respect thereto shall be brought in the courts of the Commonwealth. The agency and the contractor are encouraged to resolve any issues in controversy arising from the award of the contract or any contractual dispute using Alternative Dispute Resolution (ADR) procedures (*Code of Virginia*, § 2.2-4366). ADR procedures are described in Chapter 9 of the *Vendors Manual*. The contractor shall comply with all applicable federal, state and local laws, rules and regulations.

- D. ANTI-DISCRIMINATION:** By submitting a proposal, offerors certify to the Commonwealth that they will conform to the provisions of the Federal Civil Rights Act of 1964, as amended, as well as the Virginia Fair Employment Contracting Act of 1975, as amended, where applicable, the Virginians With Disabilities Act, the Americans With Disabilities Act and § 2.2-4311 of the *Virginia Public Procurement Act (VPPA)*. If the award is made to a faith-based organization, the organization shall not discriminate against any recipient of goods, services, or disbursements made pursuant to the contract on the basis of the recipient's religion, religious belief, refusal to participate in a religious practice, or on the basis of race, age, color, gender or national origin and shall be subject to the same rules as other organizations that contract with public bodies to account for the use of the funds provided; however, if the faith-based organization segregates public funds into separate accounts, only the accounts and programs funded with public funds shall be subject to audit by the public body. (*Code of Virginia*, § 2.2-4343.1E).

In every contract over \$10,000 the provisions in 1. and 2. below apply:

1. During the performance of this contract, the contractor agrees as follows:
 - a. The contractor will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment, except where there is a bona fide occupational qualification reasonably necessary to the normal operation of the contractor. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.
 - b. The contractor, in all solicitations or advertisements for employees placed by or on behalf of the contractor, will state that such contractor is an equal opportunity employer.
 - c. Notices, advertisements and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient for the purpose of meeting these requirements.
2. The contractor will include the provisions of 1. above in every subcontract or purchase order over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.

- E. ETHICS IN PUBLIC CONTRACTING:** By submitting a proposal, offerors certify that their proposal is made without collusion or fraud and that they have not offered or received any kickbacks or inducements from any other offeror, supplier, manufacturer or subcontractor in connection with their proposal, and that they have not conferred on any public employee having official responsibility for this procurement transaction any payment, loan, subscription,

advance, deposit of money, services or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value was exchanged.

- F. IMMIGRATION REFORM AND CONTROL ACT OF 1986:** By submitting a proposal, the offerors certify that they do not and will not during the performance of this contract employ illegal alien workers or otherwise violate the provisions of the *Federal Immigration Reform and Control Act of 1986*.
- G. DEBARMENT STATUS:** By submitting a proposal, the offerors certify that they are not currently debarred from submitting offers on contracts by the Commonwealth of Virginia, nor are they an agent of any person or entity that is currently debarred from submitting proposals on contracts by the Commonwealth of Virginia.
- H. ANTITRUST:** By entering into a contract, the contractor conveys, sells, assigns and transfers to the Commonwealth all rights, title and interest in and to all causes of the action it may now have or hereafter acquire under the antitrust laws of the United States and the Commonwealth of Virginia, relating to the particular goods or services purchased or acquired by the Commonwealth of Virginia under said contract.
- I. MANDATORY USE OF STATE FORM AND TERMS AND CONDITIONS**
- Request for Proposal:** Failure to submit a proposal on the official state form provided for that purpose shall be a cause for rejection of the proposal. Modification of or additions to the General Terms and Conditions of the solicitation may be cause for rejection of the proposal; however, the Commonwealth reserves the right to decide, on a case by case basis, in its sole discretion, whether or not to reject such a proposal.
- J. CLARIFICATION OF TERMS:** If any prospective offeror has questions about the specifications or other solicitation documents, the prospective offeror should contact the buyer whose name appears on the face of the solicitation no later than five working days before the due date. Any revision to the solicitation will be made only by addendum issued by the buyer.
- K. PAYMENT:**

1. TO PRIME CONTRACTOR:

- a.** Invoices for items ordered, delivered and accepted shall be submitted by the contractor directly to the payment address shown on the purchase order/contract. All invoices shall show the contract number and/or purchase order number; social security number (for individual contractors) or the federal employer identification number (for proprietorships, partnerships and corporations).
- b.** Any payment terms requiring payment in less than 30 days will be regarded as

requiring payment 30 days after invoice or delivery, whichever occurs last. This shall not affect offers of discounts for payment in less than 30 days, however.

- c. All goods or services provided under this contract or purchase order, that are to be paid for with public funds, shall be billed by the contractor at the contract price, regardless of which public agency is being billed.
- d. The following shall be deemed to be the date of payment: the date of postmark in all cases where payment is made by mail, or the date of offset when offset proceedings have been instituted as authorized under the Virginia Debt Collection Act.

2. TO SUBCONTRACTORS:

A contractor awarded a contract under this solicitation is hereby obligated:

- i. To pay the subcontractor(s) within seven (7) days of the contractor's receipt of payment from the Commonwealth of Virginia for the proportionate share of the payment received for work performed by the subcontractor(s) under the contract; or
- ii. To notify the agency and the subcontractor(s), in writing, of the contractor's intention to withhold payment and the reason.
- iii. Each prime contractor who wins an award in which provision of a SWAM procurement plan is a condition to the award, shall deliver to the contracting agency or institution, on or before request for final payment, evidence and certification of compliance (subject only to insubstantial shortfalls and to shortfalls arising from subcontractor default) with the SWAM procurement plan. Final payment under the contract in question may be withheld until such certification is delivered and, if necessary, confirmed by the agency or institution, or other appropriate penalties may be assessed in lieu of withholding such payment.

L. PRECEDENCE OF TERMS: The following General Terms and Conditions *VENDORS MANUAL*, APPLICABLE LAWS AND COURTS, ANTI-DISCRIMINATION, ETHICS IN PUBLIC CONTRACTING, IMMIGRATION REFORM AND CONTROL ACT OF 1986, DEBARMENT STATUS, ANTITRUST, MANDATORY USE OF STATE FORM AND TERMS AND CONDITIONS, CLARIFICATION OF TERMS, PAYMENT shall apply in all instances. In the event there is a conflict between any of the other General Terms and Conditions and any Special Terms and Conditions in this solicitation, the Special Terms and Conditions shall apply.

M. QUALIFICATION OF OFFERORS: The Commonwealth of Virginia may make such

reasonable investigations as deemed proper and necessary to determine the ability of the offeror to perform the work/furnish the item(s) and the offeror shall furnish to the Commonwealth of Virginia all such information and data for this purpose as may be requested. The Commonwealth of Virginia reserves the right to inspect offeror's physical facilities prior to award to satisfy questions regarding the offeror's capabilities. The Commonwealth of Virginia further reserves the right to reject any proposal if the evidence submitted by, or investigations of, such offeror fails to satisfy the Commonwealth of Virginia that such offeror is properly qualified to carry out the obligations of the contract and to complete the work/furnish the item(s) contemplated therein.

- N. TESTING AND INSPECTION:** The Commonwealth of Virginia reserves the right to conduct any test/inspection it may deem advisable to assure supplies and services conform to the specification.
- O. ASSIGNMENT OF CONTRACT:** A contract shall not be assignable by the contractor in whole or in part without the written consent of the Commonwealth of Virginia.
- P. CHANGES TO THE CONTRACT:** Changes can be made to the Contract in any one of the following ways:
1. The parties may agree in writing to modify the scope of the contract. An increase or decrease in the price of the contract resulting from such modification shall be agreed to by the parties as a part of their written agreement to modify the scope of the contract.
 2. The Purchasing Agency may order changes within the general scope of the contract at any time by written notice to the contractor. Changes within the scope of the contract include, but are not limited to, things such as services to be performed, the method of packing or shipment, and the place of delivery or installation. The contractor shall comply with the notice upon receipt. The contractor shall be compensated for any additional costs incurred as the result of such order and shall give the Purchasing Agency a credit for any savings. Said compensation shall be determined by one of the following methods:
 - a. By mutual agreement between the parties in writing; or
 - b. By agreeing upon a unit price or using a unit price set forth in the contract, if the work to be done can be expressed in units, and the contractor accounts for the number of units of work performed, subject to the Purchasing Agency's right to audit the contractor's records and/or to determine the correct number of units independently; or
 - c. By ordering the contractor to proceed with the work and keep a record of all costs incurred and savings realized. A markup for overhead and profit may be allowed if provided by the contract. The same markup shall be used for

determining a decrease in price as the result of savings realized. The contractor shall present the Purchasing Agency with all vouchers and records of expenses incurred and savings realized. The Purchasing Agency shall have the right to audit the records of the contractor as it deems necessary to determine costs or savings. Any claim for an adjustment in price under this provision must be asserted by written notice to the Purchasing Agency within thirty (30) days from the date of receipt of the written order from the Purchasing Agency. If the parties fail to agree on an amount of adjustment, the question of an increase or decrease in the contract price or time for performance shall be resolved in accordance with the procedures for resolving disputes provided by the Disputes Clause of this contract or, if there is none, in accordance with the disputes provisions of the Commonwealth of Virginia *Vendors Manual*. Neither the existence of a claim nor a dispute resolution process, litigation or any other provision of this contract shall excuse the contractor from promptly complying with the changes ordered by the Purchasing Agency or with the performance of the contract generally.

- Q. DEFAULT:** In the case of failure to delivery goods or services in accordance with the contract terms and conditions, the Commonwealth of Virginia, after due oral or written notice, may procure them from other sources and hold the contractor responsible for any resulting additional purchase and administrative costs. This remedy shall be in addition to any other remedies that the Commonwealth of Virginia may have.
- R. NONDISCRIMINATION OF CONTRACTORS:** A bidder, offeror, or contractor shall not be discriminated against in the solicitation or award of this contract because of race, religion, color, sex, national origin, age, disability, faith-based organizational status, any other basis prohibited by state law relating to discrimination in employment or because the offeror employs ex-offenders unless the state agency, department or institution has made a written determination that employing ex-offenders on the specific contract is not in its best interest. If the award of this contract is made to a faith-based organization and an individual, who applies for or receives goods, services, or disbursements provided pursuant to this contract objects to the religious character of the faith-based organization from which the individual receives or would receive the goods, services, or disbursements, the public body shall offer the individual, within a reasonable period of time after the date of his objection, access to equivalent goods, services, or disbursements from an alternative provider.
- S. INSURANCE:** By signing and submitting a bid or proposal under this solicitation, the bidder or offeror certifies that if awarded the contract, it will have the following insurance coverage at the time the contract is awarded. For construction contracts, if any subcontractors are involved, the subcontractor will have workers' compensation insurance in accordance with §§ 2.2-4332 and 65.2-800 et seq. of the *Code of Virginia*. The bidder or offeror further certifies that the contractor and any subcontractors will maintain this insurance coverage during the entire term of the contract and that all insurance coverage will be provided by insurance companies authorized to sell insurance in Virginia by the

Virginia State Corporation Commission.

MINIMUM INSURANCE COVERAGES AND LIMITS REQUIRED FOR MOST CONTRACTS:

1. Workers' Compensation - Statutory requirements and benefits. Coverage is compulsory for employers of three or more employees, to include the employer. Contractors who fail to notify the Commonwealth of increases in the number of employees that change their workers' compensation requirements under the Code of Virginia during the course of the contract shall be in noncompliance with the contract.
2. Employer's Liability - \$100,000.
3. Commercial General Liability - \$1,000,000 per occurrence. Commercial General Liability is to include bodily injury and property damage, personal injury and advertising injury, products and completed operations coverage. The Commonwealth of Virginia must be named as an additional insured and so endorsed on the policy.
4. Automobile Liability - \$1,000,000 per occurrence. (Only used if motor vehicle is to be used in the contract.)

NOTE: In addition, various Professional Liability/Errors and Omissions coverages are required when soliciting those services as follows:

<u>Profession/Service</u>	<u>Limits</u>
Accounting	\$1,000,000 per occurrence, \$3,000,000 aggregate
Architecture	\$2,000,000 per occurrence, \$6,000,000 aggregate
Asbestos Design, Inspection or Abatement Contractors	\$1,000,000 per occurrence, \$3,000,000 aggregate
Health Care Practitioner (to include Dentists, Licensed Dental Hygienists, Optometrists, Registered or Licensed Practical Nurses, Pharmacists, Physicians, Podiatrists, Chiropractors, Physical Therapists, Physical Therapist Assistants, Clinical Psychologists, Clinical Social Workers, Professional Counselors, Hospitals, or Health Maintenance Organizations.)	\$1,750,000 per occurrence, \$3,000,000 aggregate
(Limits increase each July 1 through fiscal year 2008, as follows: July 1, 2005 - \$1,800,000, July 1, 2006 - \$1,850,000, July 1, 2007 - \$1,925,000, July 1, 2008 - \$2,000,000. This complies with §8.01-581.15 of the <u>Code of Virginia</u> .)	
Insurance/Risk Management	\$1,000,000 per occurrence, \$3,000,000 aggregate
Landscape/Architecture	\$1,000,000 per occurrence, \$1,000,000 aggregate

Legal	\$1,000,000 per occurrence, \$5,000,000 aggregate
Professional Engineer	\$2,000,000 per occurrence, \$6,000,000 aggregate
Surveying	\$1,000,000 per occurrence, \$1,000,000 aggregate

- T. ANNOUNCEMENT OF AWARD:** Upon the award or the announcement of the decision to award a contract over \$50,000, as a result of this solicitation, the purchasing agency will publicly post such notice on the DGS/DPS eVA web site (www.eva.state.va.us) for a minimum of 10 days.
- U. AVAILABILITY OF FUNDS:** It is understood and agreed between the parties herein that the agency shall be bound hereunder only to the extent of the funds available or which may hereafter become available for the purpose of this agreement.

XI. SPECIAL TERMS AND CONDITIONS:

- A. AUDIT:** The contractor hereby agrees to retain all books, records, and other documents relative to this contract for five (5) years after final payment, or until audited by the Commonwealth of Virginia, whichever is sooner. The Commonwealth of Virginia, its authorized agents, and/or auditors shall have full access to and the right to examine any of said materials during said period.
- B. BID ACCEPTANCE PERIOD:** Any proposal in response to this solicitation shall be valid for 120 days. At the end of the 120 days the proposal may be withdrawn at the written request of the offeror. If the proposal is not withdrawn at that time it remains in effect until an award is made or the solicitation is canceled.
- C. CANCELLATION OF CONTRACT:** The Commonwealth of Virginia reserves the right to cancel and terminate any resulting contract, in part or in whole, without penalty, upon 30 days written notice to the contractor. Any contract cancellation notice shall not relieve the contractor of the obligation to deliver and/or perform on all outstanding orders issued prior to the effective date of cancellation.
- D. IDENTIFICATION OF PROPOSAL ENVELOPE:** If a special envelope is not furnished, or if return in the special envelope is not possible, the signed proposal should be returned in a separate envelope or package, sealed and identified as follows:

From: _____

_____	_____	_____
Name of offeror	Due Date	Time
_____	_____	_____
Street/Box No.	IFB No./RFP No.	
_____	_____	
City, State, Zip Code	IFB/RFP Title	

Name of Contract/Purchase Officer or Buyer		

The envelope should be addressed as directed on Page 1 of the solicitation.

If a proposal not contained in the special envelope is mailed, the offeror takes the risk that the envelope, even if marked as described above, may be inadvertently opened and the information compromised which may cause the proposal to be disqualified. Proposals may be hand delivered to the designed location in the office issuing the solicitation. No other correspondence or other proposals should be placed in the envelope.

- E. SUBCONTRACTS:** No portion of the work shall be subcontracted without prior written consent of the agency. In the event that the contractor desires to subcontract some part of the work specified herein, the contractor shall furnish the agency with the names, qualifications and experience of their proposed subcontractors. The contractor shall, however, remain fully liable and responsible for the work to be done by his subcontractor(s) and shall assure compliance with all requirements of the contract.
- F. INVENTIONS AND COPYRIGHTS:** The contractor is prohibited from copyrighting any papers, interim reports, forms, or other material and/or obtaining patents on any invention resulting from its/his performance under this agreement, except upon the written direction of the Commonwealth of Virginia. The copyright or patent shall belong to the Commonwealth of Virginia.
- G. FREEDOM OF INFORMATION ACT:** Ownership of all data, material and documentation originated and prepared for the State is subject to public inspection in accordance with the Virginia Freedom of Information Act. Trade secrets or proprietary information submitted by an offeror shall not be subject to public disclosure under the Virginia Freedom of Information Act; however, the offeror must invoke the protection of this section prior to or upon submission of the data or other materials, and must identify the data or other materials to be protected and state the reasons why protection is necessary.
- H. DRUG FREE WORKPLACE:**

Each of the following acts is prohibited by the contractor or his/her employees performing service under the terms of a contract resulting from this solicitation.

1. Unlawful or unauthorized manufacture, distribution, dispensing, possession or use of alcohol or other drugs at the workplace.
2. Impairment or incapacitation in the workplace from the use of alcohol or other drugs (except the use of drugs for legitimate medical purposes).

By submitting a proposal, offerors certify that they understand these prohibitions, and if awarded a contract as the result of this solicitation, they will comply. They also understand that a violation of these prohibitions is a breach of contract and can result in default action.

- I. MINORITY/WOMEN OWNED BUSINESSES SUBCONTRACTING AND REPORTING:** Where it is practicable for any portion of the awarded contract to be subcontracted to other suppliers, the contractor is encouraged to offer such business to minority and/or women-owned businesses. If such SWAM subcontractors are used, the prime contractor agrees to report the use of SWAM subcontractors by providing the purchasing office at a minimum the following information: name of firm, phone number, total dollar amount subcontracted, category type (small, women, or minority-owned), and type of product/service provided.
- J. PRIME CONTRACTOR RESPONSIBILITIES:** The contractor shall be responsible for completely supervising and directing the work under this contract and all subcontractors that he may utilize, using his best skill and attention. Subcontractors who perform work under this contract shall be responsible to the prime contractor. The contractor agrees that he is as fully responsible for the acts and omissions of his subcontractors and of persons employed by them as he is for the acts and omissions of his own employees.
- K. AWARD TO MULTIPLE OFFERORS:** Selection shall be made of two or more offerors deemed to be fully qualified and best suited among those submitting proposals on the basis of the evaluation factors included in the Request for Proposals, including price, if so stated in the Request for Proposals. Negotiations shall be conducted with the offerors so selected. Price shall be considered, but need not be the sole determining factor. After negotiations have been conducted with each offeror so selected, the agency shall select the offeror which, in its opinion, has made the best proposal, and shall award the contract to that offeror. The Commonwealth reserves the right to make multiple awards as a result of this solicitation. The Commonwealth may cancel this Request for Proposals or reject proposals at any time prior to an award, and is not required to furnish a statement of the reasons why a particular proposal was not deemed to be the most advantageous (*Code of Virginia*, § 2.2-4359D). Should the Commonwealth determine in writing and in its sole discretion that only one offeror is fully qualified, or that one offeror is clearly more highly qualified than the others under consideration, a contract may be negotiated and awarded to that offeror. The award document will be a contract incorporating by reference all the requirements, terms and conditions of the solicitation and the contractor's proposal as negotiated.
- XII. METHOD OF PAYMENT:** Payment to the Contractor for services rendered shall be made based on authorized, agreed upon work to be performed by the Contractor. The Contractor shall submit invoices by the 10th of the month following the month services were rendered, unless otherwise agreed upon by Contractor and the Department of Historic Resources.
- XIII. PRICING SCHEDULE** The Offeror shall define services costs based upon the Statement of Needs as outlined in Section III of this Request for Proposals.

XIV. ATTACHMENT A:

CONTRACTOR DATA SHEET

To be completed by Offeror

- 1. **QUALIFICATION OF OFFEROR:** The Offeror must have the capability and capacity in all respects to fully satisfy all of the contractual requirements.
- 2. **YEARS IN BUSINESS:** Indicate the length of time you have been in business providing this type of service: _____ years _____ months.
- 3. **REFERENCES:** Indicate below a listing of at least three (3) recent references for whom you have provided services of this type. Include the date service was furnished and the name and address of the person who has granted you permission to contact.

CLIENT	DATE	ADDRESS	PERSON TO CONTACT AND PHONE NUMBER